

HARTFORD HOSPITAL

Great Doctors Are
Just The Beginning

80 SEYMOUR STREET
P.O. BOX 5037
HARTFORD, CT 06102-5037
860/545-5000

6 July 2005

The Honorable Cristine Vogel
Commissioner
Office of Health Care Access
410 Capitol Avenue
MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Letter of Intent

Dear Commissioner Vogel:

I have enclosed a completed Letter of Intent for a forthcoming Certificate-of-Need application for our proposal to replace a simulator and a linear accelerator in our Radiation Oncology Department. We look forward to submitting our project application to you; and we request from your office the necessary application forms.

Please feel free to contact me if you have any questions about this matter. Thank you.

Sincerely,

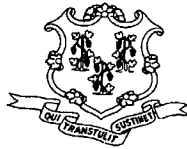
J. Bryan Simmons
Vice President for Planning
and Facilities Development

JBS/km

RECEIVED
OFFICE OF
HEALTH CARE ACCESS

2005 JUL -7 PM 4:01

RECEIVED



**State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030**

RECEIVED
2005 JUL -7 PM 4:05
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Hartford Hospital	
Doing Business As		
Name of Parent Corporation	Hartford Health Care Corporation	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	80 Seymour Street P.O. Box 5037 Hartford, CT 06102-5037	
Applicant type (e.g., profit/non-profit)	Non-profit	
Contact person, including title or position	J. Bryan Simmons, Vice President for Planning and Facilities Development	
Contact person's street mailing address	80 Seymour Street Hartford, CT 06102-5037	
Contact person's phone #, fax # and e-mail address	860 / 545-2232 phone 860 / 545-3600 fax bsimmon@harthosp.org	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Replacement of Linear Accelerator and Simulator in Radiation Oncology

b. Type of Proposal, please check all that apply:

☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

- | | | |
|--|--|--|
| <input type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement | <input type="checkbox"/> Additional (F, S, Fnc) |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☒ Project expenditure/cost greater than \$ 1,000,000

☒ Equipment Acquisition greater than \$ 400,000

- | | | |
|----------------------------------|--|--|
| <input type="checkbox"/> New | <input checked="" type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging | <input checked="" type="checkbox"/> Linear Accelerator | |

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

80 Seymour Street, Hartford, CT 06102

d. List all the municipalities this project is intended to serve:

Response: This project is will not change the municipalities, primarily within the Hospital's primary and secondary service areas, served by the Hospital's existing Radiation Oncology services. The municipalities within these primary and secondary service areas include the following:

Primary Service Area:

Avon	Hartford	Simsbury
Bloomfield	Manchester	South Windsor
Bolton	New Britain	West Hartford
East Hartford	Newington	Wethersfield
Farmington	Rocky Hill	Windsor
Glastonbury		

Secondary Service Area:

Andover	Enfield	Portland
Barkhamsted	Franklin	Preston
Berlin	Granby	Salem
Bozrah	Haddam	Somers
Bristol	Hartland	Southington
Burlington	Harwinton	Stafford
Canton	Hebron	Suffield
Colchester	Lebanon	Tolland
Columbia	Mansfield	Torrington
Coventry	Marlborough	Union
Cromwell	Meriden	Vernon
East Granby	Middlefield	Wallingford
East Haddam	Middletown	Winchester
East Hampton	New Hartford	Windham
East Windsor	Norwich	Windsor Locks
Ellington	Plainville	

e. Estimated starting date for the project: 5 October 2005

f. Type of project: 10, 13 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

a. Estimated Total Capital Expenditure: \$ 5,024,692

b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$ 342,228
Medical Equipment (Purchase)	\$ 4,682,464
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	

Sales Tax	
Delivery & Installation	Included
Total Capital Expenditure	\$ 5,024,692
Fair Market Value of Leased Equipment	
Total Capital Cost	\$ 5,024,692

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Linear Accelerator	TBD	TBD	1	\$ 3,100,000
Stereotactic Radiosurgery	TBD	TBD	1	\$ 590,300
Other	TBD	TBD		\$ 242,164
Simulator	Varian	Acuity	1	\$ 750,000

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.
Response: Because the exact model of linear accelerator has not yet been selected and purchased, a copy of the contract is not yet available. We would be happy to furnish it when the contract has been signed. A copy of the vendor proposal for the simulator is attached.

c. Type of financing or funding source (more than one can be checked):

- ☐ Applicant's Equity
 ☐ Lease Financing
 ☐ Conventional Loan
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding
☒ Funded Depreciation
 ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

- Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
- What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
- Who is the current population served and who is the target population to be served?

4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- ☐ This request is for Replacement Equipment.
- ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
- ☐ The cost of the equipment is not to exceed \$2,000,000.
- ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

Project Description:

This is a proposal to replace both a simulator and a linear accelerator, which are located in the Helen and Harry Gray Cancer Center at Hartford Hospital's main campus, and to perform the associated renovations to their physical locations. Those renovations will consist of new millwork, enlarging the dressing room (which serves both areas), improvements to electrical power supply, ductwork and shielding, and an enlargement of the pit below the accelerator. The existing simulator and accelerator have both been in use for approximately 16 years, and are considered to have reached the end of their useful lives. Additionally, and at least equally importantly, they lack digital connectivity, which leaves them unable to take advantage of Hartford Hospital's digital imaging networks, including the Varis Vision system in Radiation Oncology. Although the replacements would take place in the same department and for similar reasons, we will describe them separately below, in the interest of clarity.

Simulator. Our existing Radiation Oncology simulator is a Varian Ximatron, and was installed in 1989. At that time, its cost was below the \$400,000 Certificate of Need threshold, so no CON is on file for its acquisition. We propose to replace it with a Varian Acuity simulator.

Renovations to the simulator area will consist of: enlarging the pit, enlarging the dressing room, refurbishing the existing cabinets and counters with new finishes, and installing new floor and ceiling laser mounts.

Linear Accelerator. Our Varian 2100C accelerator (also installed in 1989) was the most technologically advanced unit available at the time it was purchased, and it is the desire of the Hospital to replace it with an accelerator of similar sophistication, with numerous advanced technological options. While the exact model has not been selected yet, it is our intention to equip the accelerator with Image-Guided Radiotherapy (IGRT), a state-of-the-art technique for localizing cancers and sparing healthy tissue. This functionality, which is being included with many new linear accelerator purchases in the United States, allows the accelerator to deliver the maximum radiation dose to the tumor, while sparing adjacent normal tissues. The equipment will also extend the utility of the high precision of today's linear accelerators to include stereotactic radiosurgery (SRS) and radiotherapy (SRT), techniques developed for the non-invasive treatment of intra-cranial cancers and very small non-cancer conditions such as acoustic neuromas and arterio-venous malformations. Linear accelerator-based stereotactic techniques are superior in many ways to other approaches and have the advantage of not requiring the acquisition of dedicated treatment units. The proposed accelerator will be designed to integrate these treatments into a regular treatment schedule, offering the neurosurgeons a powerful new tool for treatment of these patients at Hartford Hospital. Specially designed treatment planning and immobilization/localization equipment for this capability are included in the purchase.

In addition to enlarging the shared dressing room, renovations to the linear accelerator area will consist of enlarging the pit and refurbishing the existing cabinets and counters with new finishes.

With regard to specific questions within the Letter of Intent form, the following information is provided:

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.

Response: Hartford Hospital provides Radiation Therapy services from 7:00 AM to 4:00 PM, Monday through Friday. Additional hours are available for emergency treatments, including weekend hours. This proposal will not affect the Hartford Hospital license issued by the Department of Public Health.

2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?

Response: This proposal does not involve the development of new services, but the continuation of existing radiation treatment services with replacement equipment. However, given the evolution of linear accelerator technology, services will be broadened to include radiosurgery applications that the existing accelerator is unable to perform. No changes in the Hospital's existing DPH license will be sought.

3. Who is the current population served and who is the target population to be served?

Response: In Radiation Oncology, the Hospital's current service population includes patients from within the Hospital's Primary and Secondary Service Area towns (as listed

above in the response to Question II d), but patients may be drawn from other towns and other states, including those outside of New England. The target population would remain mainly unchanged by this proposed project. Since the use of the equipment would be expanded to include radiosurgical candidates referred to the department by Hospital-affiliated neurosurgeons, the number of patients treated with the device would increase very modestly, and it would be more likely that some of those new patients would arrive from beyond Hartford Hospital's Primary and Secondary Service Areas.

4. Identify any unmet need and how this project will fulfill that need.

Response: This application is not based on a specific unmet need, but on the continuing need to assure that clinical equipment at Hartford Hospital is appropriately replaced in a timely manner to assure the continued delivery of the highest quality services.

5. Are there any similar existing service providers in the proposed geographic area?

Response: Yes. Other hospitals within the region that provide Radiation Therapy services include New Britain General Hospital, John Dempsey Hospital, and St. Francis Hospital and Medical Center. In addition, the Northeast Regional Radiation Oncology Network, Inc. (NRRON), which is partly owned by Hartford Hospital, Rockville General Hospital, Manchester Memorial Hospital and Johnson Memorial Hospital, operates radiation therapy sites in Enfield and Manchester.

6. What is the effect of this project on the health care delivery system in the State of Connecticut?

Response: This proposal is anticipated to assure the continuing quality of the health care delivery system within the state by assuring that clinical equipment, at the end of its useful life, at a centrally located tertiary acute care hospital, is replaced in an appropriate and timely manner.

7. Who will be responsible for providing the service?

Response: Hartford Hospital will continue to be responsible for providing Radiation Oncology services.

8. Who are the payers of this service?

Response: There will be no change in payers of service due to the replacement of this equipment. The Hospital's current payers include Medicare, Medicaid, Anthem Blue Cross, Aetna, and Connecticare.

VARIAN
medical systems

Quotation

JSM20040520-002

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Quotation For:

Robert Rice M.S., DABR
Hartford Hospital
Radiation Oncology & Medical Physics Svs.
80 Seymour Street
Hartford, CT 06102-5037
(860) 545 - 3886 FAX: (860) 545 - 3882


Please address inquiries and replies to:

Janet S. Marshall
Varian Medical Systems
1700 Gatehouse Court
Bel Air, MD 21014
(410) 638 - 6800 FAX: (410) 638 - 6811

Your Reference:	Quotation Firm Until: September 30, 2004
FOB Point: DESTINATION	Shipping Allocation: 04/11/2005
Payment Terms: 10%/80%/10%	Terms and Conditions for Sale Varian RAD 1652R Attached.

Acuity EX Simulator

2005 JUL -7 PM 4:05
HARTFORD HOSPITAL
HEALTH CARE ACCESS

<p>Hartford Hospital</p> <p>Accepted by: </p> <p>Signature: <u>John Biancamano</u></p> <p>Name: <u>John Biancamano</u></p> <p>Title: <u>Vice President, Finance</u></p> <p>Date: <u>9/28/04</u></p> <p>For this purchase, we designate <u>NOVATION</u> as our Institution's Primary Group Purchasing Organization Affiliation. Any change will be Indicated below.</p> <p> <input type="checkbox"/> AmeriNet <input type="checkbox"/> Broadlane <input type="checkbox"/> Consorta <input type="checkbox"/> Direct Med <input type="checkbox"/> HPG <input type="checkbox"/> Magnet <input type="checkbox"/> MedAssets <input type="checkbox"/> Novation <input type="checkbox"/> Premier <input type="checkbox"/> Salick <input type="checkbox"/> Sutter <input type="checkbox"/> UHS <input type="checkbox"/> US Cancer <input type="checkbox"/> USO <input type="checkbox"/> VA DPSC <input type="checkbox"/> VA Gov <input type="checkbox"/> None </p>	<p>Varian Medical Systems</p> <p>Submitted by : _____</p> <p>(Signature)</p> <p>Name: Janet S. Marshall</p> <p>Title: District Sales Manager</p> <p>Date: May 20, 2004</p>
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Quotation

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
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Section 1 Acuity EX Simulator

1.01	1	Acuity EX Acuity EX Planning Simulation and Verification System:	726,795.00
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Baseframe with 123cm Isocenter and Rotating Gantry with fixed FAD of 100cm.
 Motorized Collimator with Dual Independent Collimation
 SmartProtect Collision Management and Detection System
 Acuity Control Console and In-Room Monitor
 Digital viewing of live and captured images
 Image Driven Simulation with Digital Field Display
 Image Quality Manipulation Tools
 Software Included: Dual and Quad Merge, Image Review
 Workstation License, MLC Workstation License, Image Import/Export License, and DICOM-3 Print License 80cm Simulation Mode

X-Ray System - 30 kW High Frequency Generator
 with Automatic Brightness Control

Image Acquisition System:
 Amorphous Silicon Panel with Live Fluoroscopy Mode and Pulsed Fluoro
 Imaging Area Size of 397mm X 298mm
 Distortion Free Images

Accessory System:
 Varian Standard C-Series Accessory Mount including Gridded Graticule for 100cm.
 Front Pointer Assembly

EXACT Couch with Indexed Immobilization:
 Couch Side Control Panel
 Combine Posterior and Oblique Panel
 Carbon Fiber Couch Top with Carbon Fiber Moveable Rails
 Exact Bar
 Mylar Support Covers
 Universal Accessory Clamps (pair)
 Removable Accessory Rails (pair)
 TWO (2) Universal Hand Pendant

Digital Shape Projector (DSP)
 DSP allows projection of field parameters including MLCs onto the patient's skin surface.

DICOM Print License
 DICOM Print Application

DESCRIPTION:

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Quotation

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
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The DICOM Print application is a component of the VARIS Vision system. It provides DICOM print management capabilities for printing images using a medical film printer or an image printer.

FEATURES:

1. Image printing from single or multiple locations within the department;
2. Selectable image layouts; and
3. Supports standard windows printing.

LICENSE: DICOM Print license for ONE (1) site.

PREREQUISITES:

1. VARIS Vision Database or standalone Cadplan or any Vision-based product;
2. DICOM compliant medical or image quality printer; and
3. Printer installed and operational.

CUSTOMER RESPONSIBILITY:

1. Confirm compatibility for DICOM connection by review and comparison of the DICOM conformance statement; and
2. Coordinate with 3rd party vendor for installation and acceptance testing of DICOM conformance printer if not purchased through Varian.

NOTE (S):

1. Latest software release will be shipped unless otherwise called for (i.e. multi-site upgrade).
2. Includes a 90-day software warranty; and
3. Hardware is not included.

Horizon GS Imager - Acuity Bundle

- 14x17 dry imager
- 14x17 film only (blue or clear)

Includes

- DICOM License (2 associations)
- 14X17 Blue Film Starter Pack
- 1 Year Sunrise Express Warranty

This printer is only available when bundled with Acuity.

It cannot be upgraded. This printer supports black and white printing only.

OTHER:

Standard Mechanical Spare Parts

Standard X-Ray Spare Parts

ONE (1) Set of Product Manuals

Installation

ONE (1) Year Full Warranty



Quotation

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
1.02	1	Scales: IEC	Included
1.03	1	Target-to-Tray Distance: 65.4cm	Included
1.04	2	INCLUDED EDUCATION: Acuity Operations or Acuity Support	Included
1.05	1	EDUCATION: Acuity Technical Maintenance EDUCATION: Acuity Technical Maintenance: Course Description: Acuity Technical Maintenance is a course builds upon knowledge gained during the Acuity Support class. It is provided for those personnel directly responsible for maintaining the Acuity. Course Scope: This course provides configuration information, schematic review, practical troubleshooting and image optimization. Practical application of lecture topics will be stressed and sufficient lab time allowed for individual participation in hands-on exercises. Prerequisites: Attendance in an Acuity Support course. Knowledge of safety practices relative to high voltage x-ray systems and basic understanding of microprocessors. Length of Course: 5 days For detailed course information and on-line registration, visit the Varian website at www.varian.com/onc/tm152.html	Included
1.06	3	INCLUDED APPLICATIONS TRAINING: Acuity	Included
1.07	2	Travel and lodging for training courses	Included
1.08	1	Second Set of Acuity Product Manuals	Included
1.09	1	IRREG Planning License IRREG Planning License: IRREG Simple Planning Module includes software for 2D irregular field planning. Field and Image access from Acuity Photon beam calculation from 1MV to 50MV Fast point dose calculation for multiple reference points and fast MU calculation Plan Reports.	Included

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
1.10	1	Acuity Cone-Beam CT Acuity Cone-Beam CT:	Included

Cone-beam CT provides Acuity the capability of acquiring and reconstructing 15-17cm of volumetric data in one gantry rotation. Digital imaging on Acuity allows the operator to identify the area to be scanned by simply marking the top and bottom margins of the anatomy on the digital image. Acuity sets the correct mechanical positions and generator settings necessary to begin the scan acquisition. Acquisition time is approximately 40 seconds. Reconstruction time is dependent upon the number of slices essential for the scan. The central slice is quickly reconstructed and displayed within five seconds after the completion of the scan. Scan length is up to a maximum 17 cm in a single acquisition. Up to 3 x 17 cm long volumes can be merged via software to provide a volume length of 50 cm. The field of view is approximately 47cm. The aperture size is approximately 95 cm. Slice width is customizable from .5mm to 10mm.

HARDWARE INCLUDED:

NOTE: Varian reserves the right to upgrade the computer to the current model available at time of shipment.

Acquisition workstation

Reconstructor workstation

SOFTWARE INCLUDED:

CBCT Acquisition and reconstruction software.

FEATURES:

- Window/level,
- ParvZoom
- Multiple image display
- HU Calibration
- Measurement tools
- Patient file management

1.11	1	Customer Has Eclipse	Included
1.12	1	Accessory Mount, Non-C Series 61.6 TTD Accessory Mount, Non-C Series 61.6 TTD	Included
1.13	1	Transtector Power Conditioner, Acuity Transtector Power Conditioner, Acuity:	Included
208V Input Version is a One Unit System with TVSS Inside.			
480V Input Version is a Two Unit System with Surge Suppressor Included.			

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Quotation

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
1.14	1	Gammex Ther-A-Cross Green Lasers (Set of Four) Gammex Ther-A-Cross Green Lasers (Set of Four) A790 Turret style 3 Cross-Line Lasers 1 Line Laser	Included
1.15	1	Acuity Installation: 3 Piece Rigging Acuity Installation: 3 Piece Rigging Installation Reserves: These prices are for ground level access only. The shoring of floors, widening of doorways, and any other non-standard rig-in requirements are excluded and will be quoted separately if required.	Included
1.16	1	Acuity Installation: Utility Connection Acuity Installation: Utility Connection	Included
1.17	1	Acuity Installation: Baseframe Rigging Acuity Installation: Baseframe Rigging	Included
1.18	1	Acuity Installation: Grouting Acuity Installation: Grouting	Included
1.19	1	Acuity Freight & Insurance: Northeast Acuity Freight & Insurance: Northeast	Included
Section Total \$			726,795.00
Quotation Total \$			987,112.00 726,795.00

Terms & Conditions of Sale

This offer is subject to credit approval and is exclusive of any applicable sales taxes or duties.

Under Terms and Conditions of the Master Service Agreement between Hartford Hospital and Varian Medical Systems, the Acuity will fall under the addition of equipment covered:.

From the agreement:

"The annual cost of service will be adjusted post warranty at a rate of 66% times the then current Plan I Gold Contract price for the equipment added (Acuity). There will be no adjustment for equipment removed (Ximatron) unless the equipment is removed during the base year of the agreement at which time the prorata share of the Plan I Gold equivalent contract coverage remaining will be deducted from the base year price. Parts and labor expended on removed equipment will be excluded from end-of-year calculations."

This quotation is subject to Varian Medical Systems Standard Terms and Conditions of Sale, document RAD 1652, current version, with exception to the term of the warranty, paragraph 10. Warranty is specified for each upgrade. This quotation is in accordance with the terms of the Varian/NOVATION National Account master agreement. Parts for which replacements have been provided by Varian shall, at Varian's option become the property of Varian.

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VARIAN
medical systems**Quotation**

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Hartford Hospital, Hartford, CT

Item	Qty	Product Description	Offer Price
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Any upgrade product being installed on property originally manufactured by Varian Medical Systems and serviced in any way by a 3rd party vendor is subject to a system performance audit prior to installation of upgrade. If system audit results in specifications below OEM standards, installation may be postponed. Parts and labor required to bring system back to OEM specifications to meet product installation pre-requisites will be at an additional cost to the current property owner.

- Freight and Insurance for upgrade products included
- Installation included in upgrade price
- Hardware not included unless specified in product description
- Price excludes any applicable sales tax

Varian Medical Systems payment terms are as follows:

10% with purchase order

80% upon shipment to hospital or storage

10% upon installation

Please see Comments

For orders equal or less than \$75K, 100% upon shipment, net 30.

SHIPPING Terms: Destination/Room (quotation includes standard rigging, any cranes, reinforcement of the floor, special elevator considerations, etc. are the responsibility of Hartford Hospital).

It is understood that the order shall be contingent upon successful clinical site visit by which the physicians shall be satisfied with the clinical image quality, Board Approval in November, 2004 and CON approval expected in or around February 2005.

FINANCING AVAILABLE: For lease and finance plans, please call Tony Susen, Director - Customer Finance, at (508) 668-4609.



VARIAN MEDICAL SYSTEMS, INC. | ONCOLOGY SYSTEMS & INDUSTRIAL EQUIPMENT
3100 Hansen Way, Palo Alto, CA 94304
("Varian")

Terms and Conditions of Sale

1. Applicable Terms and Conditions

These Terms and Conditions of Sale, including any exhibits, schedules, addenda, and other attachments (collectively, the "Agreement"), shall govern Varian's furnishing of all products ("Products"), including hardware products manufactured by Varian ("Varian Hardware") and software products created or licensed by Varian or provided to Customer by Varian under the terms of a Varian Support Schedule or agreement, if any ("Varian Software"), and services ("Services") identified in the applicable Varian quotation ("Quotation") issued to the customer identified in such Quotation ("Customer"). The Software Schedule, if applicable, shall govern all Varian Software other than firmware and operating system software loaded on Varian Hardware. The Support Schedule, if applicable, shall govern all Services. While Varian may acknowledge receipt of a purchase order issued by Customer by signing and returning it, any Customer terms and conditions in any specific order documentation, preprinted or otherwise, shall be inapplicable and shall not modify this Agreement.

2. Quotations and Prices

(a) A Quotation shall expire at the end of the period identified in the Quotation, or if none is stated in the Quotation, the Quotation shall expire sixty (60) days from the date of issuance. A Quotation to a non-U.S. customer shall be considered a solicitation for an offer to purchase. (b) Varian's prices exclude, and Customer shall be responsible for, all ordinary and necessary charges incidental to the sale incurred by Varian and billed by Varian to Customer, including but not limited to charges for all taxes or levies of whatever nature arising out of or in connection with this Agreement, including the sale, delivery, ownership, or use of the Products or performance of the Services, but excluding taxes based on Varian's net income. Customer shall reimburse Varian in full for any such taxes or levies that are paid in advance by Varian for Customer. If Customer asserts that any transaction under this Agreement is tax exempt, Customer shall provide to Varian a tax or levy exemption certificate acceptable to the taxing or levying authority. The total price to Customer shall be adjusted to include costs of transportation, special packing, and insurance incurred by Varian in accordance with agreed shipping and risk terms. (c) Varian's acceptance of any order and Varian's performance are expressly conditioned upon Customer's compliance with all applicable codes, regulations, and recommendations of competent health or radiation-protection authorities affecting Products or installation and use of the Products, and Varian's approval of Customer's credit. (d) Customer shall disclose the dollar value of any discounts or reductions in price for the Products and Services furnished by Varian in Customer's costs claimed or charges made to Medicare, Medicaid, and any other federal, state, or local program providing reimbursement to Customer.

3. Payment

The payment schedule and payment terms are set forth in the Quotation or contract agreed to in writing and signed by an authorized representative of Varian, provided, however, that if installation is not completed until six (6) months after delivery of the Product pursuant to item (4) in Section 8, then all remaining unpaid balances shall become immediately due

regardless of the payment schedule in such Quotation or contract. Varian may charge interest for past due balances up to the maximum amount permitted by applicable law. For partial shipments, Products will be billed when shipped. Varian may cancel or delay delivery of Products when Customer's payments are late under any orders with Varian. Varian shall retain a purchase money security interest in all Products until Customer has made payment in full to Varian of all sums due, including late fees and collection costs. Customer agrees to execute any financing statements or other documents requested by Varian, which may be reasonably necessary to perfect such security interest. All down payments, if any, are non-refundable, and Varian shall retain them as damages for unauthorized termination or cancellation.

4. Transportation and Risk of Loss

Except as otherwise provided in this Agreement, or in accordance with expressly agreed Incoterms 2000, all shipments are Ex Works (Incoterms 2000). Varian's plant with Varian selecting the transportation company. Unless otherwise expressly agreed in writing, transportation to Customer's site will be in "air ride" vans, and Varian may insure to full value of Products shipped at Customer's expense or declare full value to the transportation company at time of shipment.

5. Architecture

Varian will have no approval or other responsibility for any matter affecting or related to the adequacy of Customer's operating permit, architectural design, the radiation protection walls and barriers, patient viewing devices, compliance with all facility personnel safety devices and related inspections, utility service design and location, and other details pertaining to Customer's site.

6. Installation

This Section applies only if Customer is purchasing linear accelerator or simulator products. Except as otherwise agreed, Customer will provide labor and rigging services to unload the subbase frame and the Product from the transport vehicle and move them to their final positions. Customer will be responsible for the setting and grouting of the subbase frame and the connection of the Product to the utilities, and Varian will notify Customer approximately ninety (90) days prior to scheduled Product shipment to allow Customer to provide for and coordinate rigging services, unloading, and final positioning. A Varian representative will monitor the movement, final positioning, and connection of the Product. Customer will be responsible for having the building, utilities, lighting, ventilation, air conditioning, mounting facilities, all necessary radiation shielding, and access to the room completed on the estimated delivery date and ready for installation of the Product. Where Varian supervises such work, Varian shall act solely as Customer's agent and shall have no responsibility or liability of any kind for such work. If delays in completion of such work delay installation, Customer will reimburse Varian at Varian's standard service rates for any extra time and/or travel by Varian made necessary by the delay. Varian shall have no obligation to operate Products to complete installation or testing unless Customer has provided adequate radiation shielding protection and other site preparations for the safety and protection of Customer's and Varian's personnel and Products. Upon

completion of installation, Varian's representatives will demonstrate proper machine operation by performing Varian's standard test procedures. Customer shall provide a representative who shall be present at all times during installation and be capable of assisting where necessary. When no representative is present or assistance from Customer is not available when required by Varian, Varian may discontinue installation and shall charge Customer for any additional costs incurred including Varian's standard service rates. Should completion of installation be delayed due to union action or influence, Customer shall, as soon as possible, make such arrangements as may be necessary for Customer to carry out the work at Customer's expense under the engineering supervision of Varian. Except as otherwise expressly provided by Varian in published Specifications or specific Varian offers, Customer shall be responsible for obtaining all permits and for meeting all requirements relating to applicable state and local codes, registrations, regulations, statutes, and ordinances affecting Products, including their uses and services.

7. Calibration and Radiation Surveys

For linear accelerator and simulator Products, Customer shall be responsible for all Product calibration. The dose rate and integrated dose measured by the accelerator transmission ionization chamber and dosimetry electronics must be calibrated by a qualified radiological physicist prior to use of the Product for patient treatment. Customer shall be responsible for testing and calibrating the Product on a regular basis. Customer also shall be responsible for any radiation surveys required by applicable law or regulation or necessary to establish that radiation does not exceed safe levels. For simulator Products, Varian's obligation to calibrate shall be limited to that required by local law. In the United States, calibration shall be limited to those certified components that are required under 21 C.F.R. 1020.30(d) (U.S. Code of Federal Regulations) to be calibrated by the installer where Varian is the installer. Customer shall be responsible for all other calibrations of simulator Products.

8. Completion of Installation

Within three (3) days of delivery, Customer shall examine fully the Product delivered and make all applicable complaints and claims arising out of such delivery to the carrier in writing, and shall provide a copy to Varian. Where Varian Hardware installation is provided, completion of installation shall occur upon the earlier of (1) completion of Varian's applicable standard test procedures, (2) Customer's execution of Varian's acceptance form, (3) use of any Product by Customer, its agents, employees, or licensees, for any purpose after its receipt, or (4) six (6) months after delivery of the Product. Prior to completion of installation, Varian may repair or, at its option, replace defective or nonconforming parts after receipt of notice of defect or nonconformity. After completion of installation, Customer's remedies shall be solely as provided in the warranty. After six (6) months after delivery of the Product, Varian shall no longer be required to provide installation services.

9. Cancellations and Modifications

No order accepted by Varian may be terminated, canceled or modified by Customer except by prior mutual agreement in writing. Where Customer breaches this clause, Customer agrees to pay to Varian all damages incurred by Varian, including a charge determined solely by Varian to cover the reasonable costs of processing, order handling, retesting, repackaging, lost profits, and other damages as determined in accordance with applicable law and this Agreement.

10. Use Restrictions

Customer shall not decompile, disassemble, or reverse engineer any part of Varian Hardware except to the extent such prohibition is void under applicable law.

11. Firmware and Operating Systems

The Product may contain internal system code that executes below the external user interface and which is integral to the operation of the Product ("Firmware"), as well as operating system software ("Operating Systems"). Varian, or its suppliers, own all Firmware and Operating Systems. Except where such Firmware or Operating System is owned by a third party which licenses it directly to Customer, Varian hereby grants Customer, only for so long as Customer shall own the Product, a limited, personal, non-transferable, non-exclusive license to use the applicable Firmware and Operating System as part of the normal operation and maintenance of the Product. Customer shall not otherwise copy, print, alter, decompile, disassemble, reverse engineer, decode, or translate Firmware or Operating System except to the extent such prohibition is void under applicable law. Customer agrees that these provisions shall also apply to any copies of Firmware and Operating Systems in Varian products that Customer acquires from third parties.

12. Third Party Products

Varian may resell or license third party Products. Where such Products are sold or licensed on a stand-alone basis or provided on a stand-alone basis as replacement parts, they may be delivered to Customer with such third party supplier's usage guidelines and restrictions, software licenses, and/or warranties. In such situations, Customer agrees that its use of such third party Products shall be subject to such guidelines, restrictions, and licenses. Third party supplier warranties shall be governed by Section 14 (Warranty).

13. Proprietary Notices and Confidentiality

Varian or Varian's licensors own all right, title, and interest (including without limitation all intellectual property rights) in and to all drawings, designs, specifications, manuals, and software furnished by Varian to the Customer. All such materials and software are furnished in confidence to Customer, except as may be found in the public domain, and shall be held in strict confidence by Customer with the same degree of care with which Customer protects its own confidential information, but in no event less than reasonable care. Customer shall not remove, alter, or obscure any copyright, trademark, trade secret, government restricted rights, or other proprietary or confidentiality notices or legends from any copy of such materials and software that are (i) placed or embedded by Varian or its licensors in the software, (ii) are displayed when the software is run, or (iii) are applied to the Products, their packaging, labels, or any other materials provided under this Agreement.

14. Warranty

Warranty for Varian Hardware: Varian warrants that Varian Hardware and any Firmware and Operating System loaded on such Varian Hardware, except where such Firmware or Operating System is owned by a third party which licenses it directly to Customer, to be free from defects in material and workmanship and in substantial compliance with operational features of Varian's published specifications for the applicable Product at the time of sale ("Specifications"). This warranty shall begin upon completion of installation and continue for a period of one year from such date, but not to exceed two (2) years from date of shipment from Varian to Customer. In lieu of the foregoing periods, specific components of Varian Hardware may have different warranty periods, prorated replacement credits, and return policies as stated on the applicable Varian warranty forms supplied by Varian to Customer with this Agreement. Weights and dimensions in the Specifications are approximations. Clerical and typographical errors are subject to correction. Occasionally, Varian may substitute remanufactured parts and components that meet the same quality standards as

other materials and are covered by the same warranty. Parts for which Varian has provided replacements shall, at Varian's option, become the property of Varian.

Warranty Remedies: Customer's sole and exclusive remedy for any failure of Varian Hardware or Firmware or Operating System under this Section to perform shall be repair or, at Varian's option, replacement of such defective Products in whole or in part during Varian's normal business hours. If in Varian's sole opinion such repair or replacement is not feasible, or if such remedy fails of its essential purpose, Varian may refund or credit a portion of any sums paid by Customer for the defective Product. In-warranty repair or replacement parts are warranted only for the unexpired portion of the original warranty period.

Warranty for Software and Services: Warranties for Varian Software, excluding Firmware and Operating Systems loaded on Varian Hardware, and Services, if any, shall be as set forth in the Software Schedule and Support Schedule, respectively.

Exclusions from Coverage: Any warranty or liability is excluded where the warranty claim, in Varian's reasonable opinion, arises out of (1) accident or neglect, (2) use of the Products in a manner not authorized by Varian, (3) lack of routine care or maintenance as indicated in any Varian operating or maintenance instructions, (4) failure to use or take any proper precautions under the circumstances, or (5) user modification of any Product.

Other Supplier Warranties: Warranties given by other suppliers of equipment, accessories, components, or computer software not normally provided by Varian as part of its standard product offerings, which warranties are expressly made available by the supplier to be passed on to the Customer, shall be passed on by Varian as designated by the applicable supplier to Customer, subject to all limitations imposed on Varian by the supplier. In no event shall Varian have any liability with respect to such third party equipment, accessories, components, software, or warranties provided by such other suppliers; nor shall Varian have any liability for failure of such suppliers to perform on their warranties.

EXCLUSIONS OF IMPLIED WARRANTIES: THIS LIMITED WARRANTY IS EXPRESSLY IN LIEU OF AND EXCLUDES ALL OTHER EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR CONDITIONS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.

15. Intellectual Property Infringement

Varian shall defend, at its expense, any third party claim brought against Customer that the design or manufacture of any Varian Hardware or Varian Software furnished by Varian to Customer under this Agreement infringes any patents or other intellectual property rights of the country where Customer takes delivery of the Product ("Claim"), and shall pay any settlement and any damages, costs, and attorneys' fees finally awarded against Customer arising out of a Claim; the foregoing is conditioned upon Customer notifying Varian immediately in writing of the Claim, giving Varian sole control of the defense, management, and settlement of the Claim, and, upon request, at Varian's cost, reasonably cooperating with Varian in such defense. If (1) such Product's use is enjoined as a result of any Claim, or (2) in Varian's opinion, such Product is likely to become subject to a Claim, Varian shall, at its expense and sole option, (a) modify the Product so that it becomes non-infringing; (b) procure for Customer the right to continue to use the Product; (c) substitute for the infringing Product another product having a functionality equivalent to the Product; or (d) accept return of the Product and refund its

purchase price, less reasonable depreciation. Varian EXPRESSLY EXCLUDES from liability and Customer shall indemnify and hold Varian harmless from: (1) settlements and their related costs and expenses where Customer settles Claims without Varian's prior written consent; and (2) any Claims arising out of (i) use of the Product in a manner not authorized by Varian; (ii) modification of the Product except modifications performed by Varian or pursuant to Varian's instructions; (iii) combination of the Product with any other equipment, apparatus, software, processes, or materials not furnished by Varian; or (iv) compliance by Varian with Customer's designs, specifications, or instructions, where such infringement would not have occurred but for such use, modification, combination, or compliance. This Section states Varian's entire liability for any claim based upon or related to any alleged infringement of any patent or other intellectual property rights.

16. Bodily Injury

With respect to bodily injury liability to third parties, Varian shall be responsible in such proportion as reflects its relative fault, and Customer shall be responsible for all other liability for damages arising from or in any way related to the use or operation of any Varian Hardware or Varian Software by Customer, its employees, agents, or other non-Varian personnel. Notwithstanding the foregoing and regardless of any fault or neglect attributable to Varian, Varian shall have no responsibility whatsoever for, and Customer shall indemnify, defend, and hold Varian harmless from, any and all damage or injury which arises from or relates to (1) any use, operation, or service of any Product by anyone other than Varian personnel prior to completion of applicable acceptance tests by Varian and the radiation survey by Customer, or (2) any use, operation, or service of any Product contrary to any written warning or instruction given by Varian with respect to such Product, including but not limited to unauthorized use and/or modification of any equipment, components, software, or accessories by any user, or their use on or with any explosive or incendiary materials, or (3) claims or damages associated with any non-Varian design, manufacture, or installation of any product or any custom design, manufacture, or installation by Varian that is performed pursuant to Customer's specifications, designs, or plans. This Section states Varian's entire liability for bodily injury.

17. LIMITATIONS OF LIABILITY

IN NO EVENT SHALL VARIAN OR ITS SUPPLIERS OR LICENSORS BE LIABLE UNDER CONTRACT, TORT, OR ANY OTHER LEGAL THEORY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL LOSSES OR DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST BUSINESS, LOST PROFITS, LOSS OF USE, OR LOSS OF OR DAMAGE TO DATA, HOWEVER CAUSED, WHETHER FORESEEABLE OR NOT, EVEN IF VARIAN IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. VARIAN AND ITS SUPPLIERS AND LICENSORS TOTAL LIABILITY IN DAMAGES OR OTHERWISE SHALL NOT EXCEED THE PAYMENT, IF ANY, RECEIVED BY VARIAN FOR THE UNIT OF PRODUCT OR SERVICE FURNISHED OR TO BE FURNISHED RESULTING IN THE LOSS OR DAMAGE CLAIMED. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. CUSTOMER ACKNOWLEDGES THAT THESE LIMITATIONS OF LIABILITY ARE MATERIAL PARTS OF THE BARGAIN BETWEEN THE PARTIES AND THAT PRICES FOR THE PRODUCTS WOULD BE HIGHER WITHOUT THEM. Liability to third parties for bodily injury, including death, resulting from Varian

Hardware or Varian Software shall not be affected by the liability limitations stated above in this Section.

18. Export Compliance

Customer acknowledges and agrees that the Products and related technology subject to this Agreement are subject to the export control laws and regulations of the United States, and Customer agrees to comply with such laws and regulations. The obligations of this Section as to these laws shall survive any termination of this Agreement.

19. Force Majeure

Neither party shall be liable for any delay in performance which is due to causes beyond its control. Provided any such delay is neither material nor indefinite, performance shall be deemed suspended during the event causing such delay plus a reasonable period of time after such event, and the other party shall accept such delayed performance.

20. Disputes, Arbitration, and Applicable Law

Any dispute, controversy or claim of any kind arising out of or relating to this Agreement, including the jurisdiction of the arbitration panel and claims in tort, shall be settled by final and binding arbitration. For sales to U.S. customers, arbitration shall be in the state of Varian's corporate domicile under the rules and procedures of the American Arbitration Association ("AAA"). For sales to non-U.S. customers, arbitration shall be in the place of Varian's corporate domicile under the UNCITRAL Arbitration Rules in effect on the date of this contract, and the appointing authority shall be the AAA. The governing law of the substance of this contract shall be the commercial law of the state or country of Varian's corporate domicile, and the United Nations Convention for the International Sale of Goods shall not apply. The procedural law shall be the law of the place where arbitration is conducted. Arbitral proceedings shall be conducted in English. The arbitration tribunal shall not award punitive damages. The expenses of the arbitration, including the arbitrator's fees, expert witness fees, and attorney's fees, may be apportioned between the parties in any manner deemed appropriate by the arbitrator; however, in the absence of any formal ruling by the arbitrator each party shall share equally in the payment of the arbitrator's fees and bear its own costs, expert witness fees, and attorney's fees. The arbitration award shall be final and binding, shall be the sole and exclusive remedy regarding any and all claims and counterclaims presented, and may not be reviewed by or appealed to any court except for enforcement. Nothing in this contract shall prohibit Varian from seeking to prevent any unauthorized copying, disclosure, use, retention or distribution of its intellectual or other property by injunctive relief or otherwise in a court of law. Varian shall have the exclusive right to bring legal action for failure to pay for Products or Services furnished in the courts of Varian's corporate domicile or any other place.

21. Limitation of Claims

No claims, regardless of form, arising out of, or in any way connected with this Agreement or the Products or Services may be brought by Customer more than one year after the cause of

action has accrued or performance under this Agreement has been completed or terminated, whichever is earlier.

22. Notices

Any notices required or permitted to be given pursuant to this Agreement shall be in writing, delivered (1) in person, (2) by international courier, (3) by first class certified mail, return receipt requested, or its international equivalent, or (4) by facsimile with confirmation of delivery and an extra copy mailed. All such notices shall be addressed to Varian at Legal Department, Varian Medical Systems Inc., 3100 Hansen Way, M/S E-250, Palo Alto, CA 94304, fax 650-424-5998, and to Customer at the address and/or fax numbers set forth in the Quotation or to such other address as may be specified from time to time by notice in writing to the other party. Notices shall be deemed to have been given when received.

23. Headings

Headings used in this Agreement are for ease of reference only and will not be used to interpret any part of this Agreement.

24. Entire Agreement

This Agreement contains the complete and exclusive statement of the terms of agreement of the parties with respect to this subject matter, and supersedes all prior and contemporaneous understandings, representations, and warranties, written and oral. This Agreement may be amended or modified only in a writing signed by both parties. If a court or arbitrator holds any part of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity or enforceability of the remaining provisions or portions of them, will not be affected, and such provisions will be changed and interpreted so as to best accomplish the objectives of such enforceable or invalid provision within the limits of applicable law or court decisions.

25. Waiver

No term or provision of this Agreement shall be deemed waived by either party, and no breach excused by either party, unless the waiver or consent shall be in writing signed by an authorized representative of the party granting such waiver or consent.

26. Assignment

Customer may not assign its rights nor delegate its duties under this Agreement without the written consent of Varian, and any attempted assignment without such consent will be void. Varian may assign or otherwise transfer its rights or delegate its duties under this Agreement, in whole or in part, to a subsidiary or affiliate, or a purchaser or transferee of substantially all of the assets used by Varian in its business to which this Agreement relates without notice to, or obtaining the consent of, any other party.

27. Counterparts

This Agreement may be executed in two counterparts, each of which will be an original and together which will constitute one and the same instrument.

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